

Notes

Cyprus

The following note is included at the request of Turkey:

“The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the « Cyprus issue »”.

The following note is included at the request of all the European Union Member States of the OECD and the European Commission:

“The Republic of Cyprus is recognized by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus”.

Israel

“The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.”

“It should be noted that statistical data on Israeli patents and trademarks are supplied by the patent and trademark offices of the relevant countries.”

3.1 ENTRY AND EXIT

Employer enterprise birth rate (2006) and death rate (2005) in the manufacturing sector

- Manufacturing refers to: Mining and quarrying; Manufacturing; Electricity, gas and water.
- For Canada, employer enterprises with fewer than 250 employees.

Employer enterprise birth rate (2006) and death rate (2005) in the services sector

- Services refers to: Wholesale and retail trade; Hotels and restaurants; Transport, storage and communications; Financial intermediation; real estate, renting and business activities.
- For Canada, employer enterprises with fewer than 250 employees.

3.2 MOBILISING PRIVATE FUNDING

Venture capital investment 2008

- The OECD defines here venture capital as the sum of “seed/start-up stages” and “early development and expansion stages”. The latter includes:
 - For Australia, early expansion, late expansion, turnaround.
 - For Canada, other early stage, expansion, turnaround.
 - For Korea, initial-early stage, middle stage-early (firms 3 to 5 years), middle stage-late (firms 5 to 7 years).
 - For Japan, early stage, expansion.
 - For the United Kingdom, other early stage, expansion.
 - For the United States and Israel, early stage, expansion.
 - For European countries (except the United Kingdom), growth, rescue/turnaround.

Source: OECD, based on data from Thomson Financial, PwC, EVCA, National Venture Capital Associations, Australian Bureau of Statistics and Venture Enterprise Center.

Business angels, 2007

- Estimates for the number of business angel networks.
- In the United States, some angel capital organisations are funds rather than networks. Groups include networks plus funds.

3.3 POLICY ENVIRONMENT

Taxation on personal income and corporate income, 2009

General notes on the chart:

- Marginal tax rate, covering employees’ and employers’ social security contributions and personal income tax, with respect to a change of gross labour costs. It is given for a single person without dependents, at 167% of the average wage earner/average production worker. It assumes a rise in gross earnings of the principal earner in the household. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.
- The marginal rates are expressed as a percentage of gross wage earnings.
- The corporate income tax shows the basic combined central and sub-central (statutory) corporate income tax rate given by the adjusted central government rate plus the sub-central rate.

Notes on the statutory corporate income tax rate:

- For Australia, New Zealand and the United Kingdom, all with a non-calendar tax year, the rates shown are those in effect as of 1 July, 1 April and 1 April, respectively.
- In Belgium, the effective corporate income tax rate can be substantially reduced by a notional allowance for corporate equity.
- For France, the rates include a surcharge but do not include the local business tax (*Taxe professionnelle*) or the turnover-based solidarity tax (*Contribution de solidarité*).
- For Germany, the rates include the regional trade tax (*Gewerbesteuer*) and the surcharge.
- For Hungary, the rates do not include the turnover-based local business tax, the innovation tax and the credit institutions' surtax.
- For Italy, these rates do not include the regional business tax (*Imposta Regionale sulle Attività Produttive – IRAP*).
- Poland has no sub-central government tax, however local authorities (at each level) participate in a given percentage of the tax revenue.
- For Switzerland, church taxes, which enterprises cannot avoid, are included.
- For the United States, the sub-central rate is a weighted average state corporate marginal income tax rate.
- For the Netherlands it applies to taxable income over EUR 200 000.

Notes on the marginal personal income tax rate:

- For Greece, average wages overestimate actual gross earnings because they include benefits linked to marriage and children which are not available to all families.
- For Turkey, wage figures are based on the old definition of average worker (ISIC D, Rev.3).

3.4 YOUNG AND INNOVATIVE FIRMS

One- and two-year-old employer enterprises in manufacturing and in services, 2006

- Manufacturing refers to: Mining and quarrying; Manufacturing; Electricity, gas and water.
- Services refers to: Wholesale and retail trade; Hotels and restaurants; Transport, storage and communications; Financial intermediation; real estate, renting and business activities.
- For Canada, employer enterprises with fewer than 250 employees.

Patenting activity of young firms, 2005-07

- Data refer to patent applications filed under the Patent Co-operation Treaty (PCT) by firms with a priority in 2005-07. Counts are based on a set of patent applicants successfully matched with business register data.

Patenting and survival – within a two-year window, 2006

- The following list of industries was used to calculate the groupings:
 - *High-technology manufacturing*
Manufacture of chemicals and chemical products (ISIC Revision 4: 2011); Manufacture of basic metals (2410); Manufacture of fabricated metal products (2599); Manufacture of computer, electronic and optical products (2610, 2620, 2630, 2640, 2651, 2660, 2670); Manufacture of electrical equipment (2710, 2733, 2740, 2790); Manufacture of machinery and equipment, n.e.c. (2811, 2817, 2819, 2822, 2829); Manufacture of motor vehicles, trailers, and semi-rail (2930); Manufacture of other transport equipment (3011, 3030); Other manufacturing (3250, 3290); Repair and installation of machinery and equipment (3312, 3313, 3314, 3315, 3319, 3320); Waste collection, treatment and disposal activities (3812, 3822); and Repair of computer and personal and household goods (9511, 9512, 9521).
 - *Knowledge-intensive business services*
Mining support service activities (0910, 0990); Repair and installation of machinery and equipment (3312); Publishing activities (5811, 5812, 5813, 5819, 5820); Sound recording and music publishing activities (5920); Telecommunication (6110, 6120); Computer programming, consultancy and related activities (6201, 6202, 6209); Information service activities (6312); Professional, scientific and technical activities (6910, 6920, 7010, 7020, 7110, 7120, 7210, 7220, 7310, 7320, 7410, 7420, 7490); Employment activities (7810, 7820, 7830); and Repair of computers and peripheral equipment (9511).
 - *Information and communication technologies*
Manufacture of computer, electronic and optical products (2610, 2620, 2630, 2640, 2651, 2670); Manufacture of electrical equipment (2731, 2732, 2790); Manufacture of machinery and equipment, n.e.c. (2817, 2819, 2829); Other manufacturing (3250, 3290); Repair and installation of machinery and equipment (3312, 3313, 3314, 3319, 3320); Wholesale trade (4651, 4652); Publishing activities (5811, 5812, 5813, 5819, 5820); Sound recording and music publishing activities (5920); Programming and broadcasting activities (6010, 6020); Telecommunication (6110, 6120, 6130, 6190); Computer programming, consultancy and related activities (6201, 6202, 6209); Information service activities (6312); Rental and leasing activities (7730); and Repair of computers and peripheral equipment (9511, 9512, 9521).

For more details on the International Standard Industrial Classification (ISIC, Revision 4), see www.unstats.un.org/unsd/cr/registry/regdntransfer.asp?f=135.

Source: OECD, Working Party on Industry Analysis (WPIA) Innovation and Entrepreneurship Microdata Project, 2009.